

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 886

Introduced by Assembly Member Allen

February 22, 2013

An act ~~relating to state government~~ to add and repeal Division 4 (commencing with Section 64140) of Title 6.7 of the Government Code, and to add and repeal Sections 17053.60, 17053.65, 17053.66, 23660, 23665, and 23666 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 886, as amended, Allen. ~~International trade.~~ California Transportation Financing Authority: tax credit certificates for exporters and importers: income tax credit.

Existing law creates the California Transportation Financing Authority, with various powers and duties relative to the financing of transportation projects.

This bill would authorize the authority to award tax credit certificates to exporters and importers, as defined, that demonstrate to the satisfaction of the authority that, during the taxable year, they have increased their cargo tonnage or value through California ports and airports by specified amounts or had a net increase in qualified full-time employees hired in California or have incurred capital costs for a cargo facility in California. The bill would authorize an aggregate \$500,000,000 in tax credit certificates to be awarded by the authority for taxable years beginning on or after January 1, 2014, and before January 1, 2019, as provided. The bill would authorize the authority to impose fees to cover its costs, with fees to be deposited in the Job

and Trade Competitiveness Fee Account, which the bill would create in the State Treasury. The bill would authorize the authority to borrow money until the time that sufficient fee revenue is available, with loans made to the authority to be repayable solely from revenues in the account.

The bill would make legislative findings and declarations.

The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws.

This bill would, for taxable years beginning on or after January 1, 2014, and before January 1, 2019, allow a credit or credits in an aggregate amount not to exceed \$250,000 for a taxable year against the taxes imposed by those laws if a taxpayer receives a tax credit certificate from the authority.

This bill would take effect immediately as a tax levy.

~~Existing law requires the Governor's Office of Business and Economic Development to develop and implement an International Trade and Investment Program that will attract employment-producing direct foreign investment to the state, provides support for California businesses in accessing international markets, including assistance to increase California exports, and engage in other international trade or foreign investment activities assigned by the Governor, as specified. Existing law also authorizes the Governor's Office of Business and Economic Development to establish an international trade and investment office outside of the United States, under specified circumstances.~~

~~This bill would state the intent of the Legislature to enact legislation that would address issues that enhance and expand opportunities for California business to engage in international trade with Latin America and other nations.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Division 4 (commencing with Section 64140) is
- 2 added to Title 6.7 of the Government Code, to read:

1 *DIVISION 4. JOB AND TRADE COMPETITIVENESS ACT*

2
3 *64140. (a) The Legislature finds and declares all of the*
4 *following:*

5 *(1) California is the international trade leader of the United*
6 *States as the gateway to the dynamic economies of the Pacific Rim.*
7 *International trade is one of the most important economic and job*
8 *creation drivers of the state and a key to the state's economic*
9 *recovery. Together, the three California customs districts of Los*
10 *Angeles, San Diego, and San Francisco led the nation by*
11 *processing approximately \$500 billion in two-way trade value in*
12 *2010. The combined California ports of Los Angeles, Long Beach,*
13 *and Oakland are the busiest seaports in the nation, handling*
14 *approximately 45 percent of all the waterborne containerized*
15 *cargo coming into the United States.*

16 *(2) California, however, must do more to ensure that California*
17 *ports remain competitive, as the Gulf, East Coast, and Mexican*
18 *ports work to attract business away from California seaports and*
19 *competition intensifies after the expansion of the Panama Canal*
20 *in 2014. California ports are taking action to retain market share*
21 *by expanding terminal capacity and investing in other trade-related*
22 *infrastructure projects, but more needs to be done to protect*
23 *California's vitally important international trade sector, including*
24 *creating incentives to maintain and grow new jobs related to*
25 *business, manufacturing, and trade in the years ahead.*

26 *(3) Providing California tax credits to exporters and importers*
27 *through California ports and airports and increasing cargo-moving*
28 *capacity at California's ports and airports will support President*
29 *Obama's national export initiative.*

30 *(b) It is the intent of the Legislature to boost exports and imports*
31 *through California ports and airports by providing tax credits for*
32 *California exporters and importers and by providing tax credits*
33 *for increasing cargo-moving capacity.*

34 *64141. For the purposes of this division, the following terms*
35 *have the following meanings:*

36 *(a) "Annual full-time equivalent" means either of the following:*

37 *(1) In the case of a full-time employee who was paid hourly*
38 *qualified wages, "annual full-time equivalent" means the total*
39 *number of hours worked for the taxpayer by the employee (not to*
40 *exceed 2,000 hours per employee) divided by 2,000.*

1 (2) *In the case of a salaried full-time employee, “annual*
2 *full-time equivalent” means the total number of weeks worked for*
3 *the taxpayer by the employee divided by 52.*

4 (b) *“Authority” means the California Transportation Financing*
5 *Authority established in Section 64101.*

6 (c) (1) *“Capital costs” means all costs and expenses incurred*
7 *by one or more exporter or importer in connection with the*
8 *acquisition, construction, installation, and equipping of a cargo*
9 *facility, including any environmental mitigation undertaken*
10 *specifically to reduce the impacts of a cargo facility, during the*
11 *period commencing with the date on which the acquisition,*
12 *construction, installation, and equipping commences and ending*
13 *on the date on which the cargo facility is placed in service.*

14 (2) *Capital costs shall include, but not be limited to, the*
15 *following:*

16 (A) *The costs of acquiring, constructing, installing, equipping,*
17 *and financing a cargo facility, including all obligations incurred*
18 *for labor and to contractors, subcontractors, builders, and*
19 *materialmen.*

20 (B) *The costs of acquiring land or rights in land and any cost*
21 *incidental thereto, including recording fees.*

22 (C) *The costs of contract bonds and of insurance of any kind*
23 *that may be required or necessary during the acquisition,*
24 *construction, or installation of a cargo facility.*

25 (D) *The costs of architectural and engineering services,*
26 *including test borings, surveys, estimates, plans, specifications,*
27 *preliminary investigations, environmental mitigation, and*
28 *supervision of construction, as well as for the performance of all*
29 *the duties required by or consequent upon the acquisition,*
30 *construction, and installation of a cargo facility.*

31 (E) *The costs associated with installation of fixtures and*
32 *equipment, surveys, including archaeological and environmental*
33 *surveys, site tests and inspections, subsurface site work, excavation,*
34 *removal of structures, roadways, and other surface obstructions,*
35 *filling, grading, paving, and provisions for drainage, stormwater*
36 *retention, installation of utilities, including water, sewerage*
37 *treatment, gas, electricity, communications, and similar facilities,*
38 *and offsite construction of utility extensions to the boundaries of*
39 *the property.*

40 (F) *The costs of completing any environmental mitigation.*

1 (G) All other costs of a nature comparable to those described,
2 including, but not limited to, all project costs required to be
3 capitalized for federal income tax purposes pursuant to the
4 provisions of Section 263(a) of Title 26 of the United States Code.

5 (H) Costs otherwise defined as capital costs incurred by the
6 exporter or importer where the qualifying taxpayer is the lessee
7 under a lease that contains a term of not less than five years and
8 is characterized as a capital lease for federal income tax purposes.

9 (3) Capital costs shall not include property owned or leased by
10 the exporter or importer or a related entity before the
11 commencement of the acquisition, construction, installation, or
12 equipping of the cargo facility, unless the property was physically
13 located outside the state for a period of at least one year prior to
14 the date on which the cargo facility was placed in service.

15 (4) Capital costs shall not include project costs that were
16 expended prior to January 1, 2014.

17 (d) "Cargo facility" means a capital project at a port or airport
18 in California designed to increase cargo-moving capacity at that
19 port or airport and that is expended in a taxable year and has a
20 useful life of five years or more.

21 (e) "Export cargo tonnage" means the weight of cargo exported
22 through California ports by an exporter to destinations outside
23 the United States.

24 (f) "Export cargo value" means the value of cargo exported
25 through California airports by an exporter to destinations outside
26 of the United States as certified by the applicant for a tax credit
27 certificate.

28 (g) "Exporter" means a California taxpayer that is the shipper
29 of record of agricultural products or manufactured goods on an
30 ocean bill of lading or on an air waybill.

31 (h) "Import cargo tonnage" means the weight of cargo imported
32 by an importer through California ports by that importer from
33 outside the United States.

34 (i) "Import cargo value" means the value of cargo imported
35 through California airports by an importer from outside the United
36 States as certified by the applicant for a tax credit certificate.

37 (j) "Importer" means a California taxpayer that is the consignee
38 of record of agricultural products or manufactured goods on an
39 ocean bill of lading or on an air waybill.

1 (k) (I) “Qualified full-time employee” means either of the
2 following:

3 (A) A qualified employee who was paid qualified wages by the
4 qualified employer for services of not less than an average of 35
5 hours per week.

6 (B) A qualified employee who was a salaried employee and was
7 paid compensation during the taxable year for full-time
8 employment, within the meaning of Section 515 of the Labor Code,
9 by the qualified employer.

10 (2) A “qualified employee” shall not include any of the
11 following:

12 (A) An employee certified as a qualified employee in an
13 enterprise zone designated in accordance with Chapter 12.8
14 (commencing with Section 7070) of Division 7 of Title 1.

15 (B) An employee certified as a qualified disadvantaged
16 individual in a manufacturing enhancement area designated in
17 accordance with Section 7073.8.

18 (C) An employee certified as a qualified employee in a targeted
19 tax area designated in accordance with Section 7097.

20 (D) An employee certified as a qualified disadvantaged
21 individual or a qualified displaced employee in a local agency
22 military base recovery area (LAMBRA) designated in accordance
23 with Chapter 12.97 (commencing with Section 7105) of Division
24 7 of Title 1.

25 (E) An employee whose wages are included in calculating any
26 other credit allowed under Part 10 (commencing with Section
27 17001) or Part 11 (commencing with Section 23001) of Division
28 2 of the Revenue and Taxation Code.

29 (l) “Qualified wages” means wages subject to Division 6
30 (commencing with Section 13000) of the Unemployment Insurance
31 Code.

32 (m) “Tax credit certificate” means a certificate awarded by the
33 authority to an exporter or importer evidencing the right of the
34 exporter or importer to claim the tax credits provided for in this
35 division in the amount specified in the certificate.

36 64142. (a) Subject to the limitations in subdivision (f), for
37 taxable years beginning on or after January 1, 2014, and before
38 January 1, 2019, the authority may award a tax credit certificate
39 to a person that is an exporter or importer pursuant to subdivisions

1 (b), (c), and (d) in an aggregate amount that is not greater than
2 two hundred fifty thousand dollars (\$250,000) for a taxable year.

3 (b) A tax credit certificate, in an amount specified in subdivision
4 (a) of Section 17053.60 of the Revenue and Taxation Code or
5 subdivision (a) of Section 23660 of the Revenue and Taxation
6 Code, may be awarded by the authority to any of the following:

7 (1) Exporters that demonstrate to the satisfaction of the authority
8 that they have increased their export cargo tonnage through
9 California ports in a taxable year beginning on or after January
10 1, 2014, and before January 1, 2019, by at least 5 percent over
11 their export cargo tonnage through California ports for the
12 preceding taxable year.

13 (2) Importers that demonstrate to the satisfaction of the authority
14 that they have increased their import cargo tonnage through
15 California ports in a taxable year beginning on or after January
16 1, 2014, and before January 1, 2019, by at least 5 percent over
17 their import cargo tonnage through California ports for the
18 preceding taxable year.

19 (3) Exporters that demonstrate to the satisfaction of the authority
20 that they have increased their export cargo value through
21 California airports in a taxable year beginning on or after January
22 1, 2014, and before January 1, 2019, by at least 5 percent over
23 their export cargo value through California airports for the
24 preceding taxable year.

25 (4) Importers that demonstrate to the satisfaction of the authority
26 that they have increased their import cargo value through
27 California airports in taxable year beginning on or after January
28 1, 2014, and before January 1, 2019, by at least 5 percent over
29 their import cargo value through California airports for the
30 preceding taxable year.

31 (5) Exporters or importers that demonstrate to the satisfaction
32 of the authority that they have exported or imported export or
33 import cargo tonnage through California ports in excess of 400,000
34 tons in a taxable year beginning on or after January 1, 2014, and
35 before January 1, 2019, and that they did not export or import
36 cargo through California ports in the preceding taxable year.

37 (6) Exporters and importers that demonstrate to the satisfaction
38 of the authority that they have exported or imported cargo through
39 California airports with export or import cargo value in excess of
40 two hundred fifty thousand dollars (\$250,000) in a taxable year

1 *beginning on or after January 1, 2014, and before January 1,*
2 *2019, and that they did not export or import cargo through*
3 *California airports in the preceding taxable year.*

4 *(c) (1) A tax credit certificate, in an amount specified in*
5 *subdivision (a) of Section 17053.65 of the Revenue and Taxation*
6 *Code or subdivision (a) of Section 23665 of the Revenue and*
7 *Taxation Code, may be awarded by the authority to an exporter*
8 *or importer that demonstrates to the satisfaction of the authority*
9 *that the exporter or importer had a net increase in qualified*
10 *full-time employees hired in California during the taxable year.*

11 *(2) The net increase in qualified full-time employees of a*
12 *qualified employer shall be determined as provided by this*
13 *paragraph:*

14 *(A) The net increase in qualified full-time employees shall be*
15 *determined on an annual full-time equivalent basis by subtracting*
16 *from the amount determined in clause (ii) the amount determined*
17 *in clause (i).*

18 *(i) The total number of qualified full-time employees employed*
19 *in the preceding taxable year by the taxpayer and by any trade or*
20 *business acquired by the taxpayer during the current taxable year.*

21 *(ii) The total number of full-time employees employed in the*
22 *current taxable year by the taxpayer and by any trade or business*
23 *acquired during the current taxable year.*

24 *(B) For taxpayers that first commence doing business in this*
25 *state during the taxable year, the number of full-time employees*
26 *for the immediately preceding prior taxable year shall be zero.*

27 *(d) A tax credit certificate, in an amount specified in subdivision*
28 *(a) of Section 17053.66 of the Revenue and Taxation Code or*
29 *subdivision (a) of Section 23666 of the Revenue and Taxation*
30 *Code, may be awarded by the authority to an exporter or importer*
31 *that demonstrates to the satisfaction of the authority that the*
32 *exporter or importer has paid capital costs on a cargo facility in*
33 *California during the taxable year.*

34 *(e) The authority shall, consistent with the requirements and*
35 *criteria of this division and Sections 17053.60, 17053.65, 17053.66,*
36 *23660, 23665, and 23666 of the Revenue and Taxation Code, do*
37 *all of the following:*

38 *(1) Establish a procedure for applicants to apply for the tax*
39 *credit certificates, and a process to award those tax credit*
40 *certificates on a first-come-first-served basis.*

1 (2) *Determine the information necessary to be provided by an*
2 *applicant to the authority in order to award the tax credit*
3 *certificates.*

4 (3) *Develop and provide application forms for use by applicants*
5 *for tax credit certificates. The application form shall provide for*
6 *inclusion of the applicant's taxpayer identification number.*

7 (f) *The total amount of tax credit certificates authorized to be*
8 *awarded pursuant to subdivisions (b), (c), and (d) in each of the*
9 *five calendar years beginning with January 1, 2014, is one hundred*
10 *million dollars (\$100,000,000), for a total of five hundred million*
11 *dollars (\$500,000,000), and any portion of that authorization not*
12 *awarded in any calendar year may be awarded in a future calendar*
13 *year ending before January 1, 2019.*

14 (g) (1) *The authority shall establish and charge applicants fees*
15 *that it determines are reasonably sufficient to cover all of its costs*
16 *in carrying out its responsibilities under this division. The fees*
17 *shall be deposited in the Job and Trade Competitiveness Fee*
18 *Account, which is hereby established in the State Treasury. Moneys*
19 *in the account shall be available, upon appropriation by the*
20 *Legislature, to the authority for the purpose of implementing this*
21 *division.*

22 (2) *Until the time that sufficient revenue is received by the*
23 *authority, the authority may borrow any money as may be required*
24 *for the purpose of meeting necessary expenses under this division,*
25 *not to exceed the amount appropriated. A loan made to the*
26 *authority shall be repayable solely from moneys appropriated to*
27 *the authority from the Job and Trade Competitiveness Fee Account*
28 *and shall not constitute a general obligation of the state for which*
29 *the full faith and credit of the state are pledged.*

30 (h) *The authority shall determine the amount of each tax credit*
31 *pursuant to this division and Sections 17053.60, 17053.65,*
32 *17053.66, 23660, 23665, and 23666 of the Revenue and Taxation*
33 *Code, and the Franchise Tax Board shall not be responsible for*
34 *determining the amount of that tax credit. The authority shall*
35 *provide the Franchise Tax Board with an electronic copy of each*
36 *tax credit certification awarded by it within 30 days after issuing*
37 *the certificate. The tax credit certificate shall include the date of*
38 *issuance, the amount of the tax credit, the name, the type of credit*
39 *awarded, and taxpayer identification number of the exporter or*
40 *importer to which the certificate was awarded.*

1 (i) *The authority shall establish audit procedures of taxpayers*
2 *who have been awarded a tax credit certificate to verify that the*
3 *tax credit certificate was awarded consistent with the requirements*
4 *of this division and Sections 17053.60, 17053.65, 17053.66, 23660,*
5 *23665, and 23666 of the Revenue and Taxation Code. The authority*
6 *shall conduct audits at random as the authority deems appropriate.*

7 (j) *In the event that the authority determines that any amount*
8 *of a tax credit certificate was not awarded consistent with the*
9 *requirements of this division or Sections 17053.60, 17053.65,*
10 *17053.66, 23660, 23665, and 23666 of the Revenue and Taxation*
11 *Code, the authority shall cancel any unapplied amount erroneously*
12 *awarded and any previously allowed credit erroneously awarded*
13 *shall be recaptured. The authority shall notify the Franchise Tax*
14 *Board of any amounts of a tax credit certificate that were*
15 *erroneously awarded and were canceled.*

16 (k) *The authority may prescribe rules, guidelines, or procedures*
17 *necessary or appropriate to carry out the purposes of this division.*
18 *Chapter 3.5 (commencing with Section 11340) of Part 1 of Division*
19 *3 of Title 2 does not apply to any rule, guideline, or procedure*
20 *prescribed by the authority pursuant to this subdivision.*

21 (l) *A tax credit certificate awarded pursuant to this section shall*
22 *not be transferable.*

23 (m) *The authority shall notify the taxpayer within 45 days of*
24 *either a denial of the tax credit certificate application or an award*
25 *of a tax credit certificate.*

26 (n) *This division shall remain in effect only until January 1,*
27 *2021, and as of that date is repealed.*

28 SEC. 2. *Section 17053.60 is added to the Revenue and Taxation*
29 *Code, to read:*

30 17053.60. (a) (1) *For each taxable year beginning on or after*
31 *January 1, 2014, and before January 1, 2019, and subject to*
32 *subdivision (c), there shall be allowed as a credit against the “net*
33 *tax,” as defined in Section 17039, the amount specified in*
34 *paragraph (2), to an exporter or importer that has been awarded*
35 *a tax credit certificate pursuant to the Job and Trade*
36 *Competitiveness Act (Division 4 (commencing with Section 64140)*
37 *of Title 6.7 of the Government Code).*

38 (2) (A) *If an exporter or importer exported or imported during*
39 *the preceding taxable year, the credit amount will be determined*
40 *as follows:*

1 (i) The amount of credit allowed for an exporter or importer
2 that increases exports or imports through ports in California shall
3 be three dollars and twelve and one-half cents (\$3.125) per ton of
4 increased exports and imports for the taxable year through ports
5 in California by the exporter or importer.

6 (ii) The amount of credit allowed for an exporter or importer
7 that increases exports or imports through airports in California
8 shall be one thousand dollars (\$1,000) for each ten thousand
9 dollars (\$10,000) of increased exports and imports for the taxable
10 year through airports in California by the exporter or importer.

11 (B) If an exporter or importer did not export or import during
12 the preceding taxable year, the credit amount shall be determined
13 as follows:

14 (i) The amount of credit allowed for an exporter or importer
15 that exports or imports 400,000 or more tons through ports in
16 California in a taxable year shall be three dollars and twelve and
17 one-half cents (\$3.125) per ton of exports and imports for the
18 taxable year through ports in California by the exporter or
19 importer.

20 (ii) The amount of credit allowed for an exporter or importer
21 that exports or imports two hundred fifty thousand dollars
22 (\$250,000) or more through airports in California shall be one
23 thousand dollars (\$1,000) for each ten thousand dollars (\$10,000)
24 of exports and imports for the taxable year through airports in
25 California by the exporter or importer.

26 (b) For purposes of this section:

27 (1) "Authority" means the California Transportation Financing
28 Authority established in Section 64101 of the Government Code.

29 (2) "Exporter" has the same meaning as provided in subdivision
30 (g) of Section 64141 of the Government Code.

31 (3) "Importer" has the same meaning as provided in subdivision
32 (j) of Section 64141 of the Government Code.

33 (4) "Increased exports or imports" means the difference between
34 the amount of exports and imports, whether measured by tons or
35 dollars, in the current taxable year and the preceding taxable year
36 if the current taxable year has a greater amount of exports or
37 imports.

38 (5) "Tax credit certificate" has the same meaning as provided
39 in subdivision (m) of Section 64141 of the Government Code.

1 (c) The aggregate amount of credit allowed to a taxpayer under
2 this section and Sections 17053.65 and 17053.66 shall be no more
3 than two hundred fifty thousand dollars (\$250,000) for a taxable
4 year and shall be limited to the amount specified in the tax credit
5 certificate issued to the taxpayer pursuant to the Job and Trade
6 Competitiveness Act (Division 4 (commencing with Section 64140)
7 of Title 6.7 of the Government Code).

8 (d) In the event that the authority notifies the Franchise Tax
9 Board of any amounts of a tax credit certificate that were
10 erroneously awarded and were canceled pursuant to subdivision
11 (j) of Section 64142 of the Government Code, those amounts shall
12 not be allowed as a credit, and any previously allowed credit shall
13 be recaptured. The taxpayer shall be liable for any increase in tax
14 attributable to the recapture of any credit previously allowed under
15 this section.

16 (e) In the case where the credit allowed by this section exceeds
17 the “net tax,” the excess may be carried over to reduce the “net
18 tax” in the following year, and succeeding nine years, if necessary,
19 until the credit is exhausted.

20 (f) This section shall remain in effect only until December 1,
21 2019, and as of that date is repealed.

22 SEC. 3. Section 17053.65 is added to the Revenue and Taxation
23 Code, to read:

24 17053.65. (a) For each taxable year beginning on or after
25 January 1, 2014, and before January 1, 2019, and subject to
26 subdivision (c), there shall be allowed as a credit against the “net
27 tax,” as defined in Section 17039, to an exporter or importer that
28 has been awarded a tax credit certificate pursuant to the Job and
29 Trade Competitiveness Act (Division 4 (commencing with Section
30 64140) of Title 6.7 of the Government Code), in an amount equal
31 to three thousand dollars (\$3,000) for each net increase in qualified
32 full-time employees hired in California during the taxable year by
33 an exporter or importer, in a taxable year.

34 (b) For purposes of this section:

35 (1) “Authority” means the California Transportation Financing
36 Authority established in Section 64101 of the Government Code.

37 (2) “Exporter” has the same meaning as provided in subdivision
38 (g) of Section 64141 of the Government Code.

39 (3) “Importer” has the same meaning as provided in subdivision
40 (j) of Section 64141 of the Government Code.

1 (4) “*Qualified full-time employee*” has the same meaning as
2 provided in subdivision (k) of Section 64141 of the Government
3 Code.

4 (5) “*Tax credit certificate*” has the same meaning as provided
5 in subdivision (m) of Section 64141 of the Government Code.

6 (c) The aggregate amount of the credit allowed to a taxpayer
7 under this section and Sections 17053.60 and 17053.66 shall be
8 no more than two hundred fifty thousand dollars (\$250,000) for
9 a taxable year and shall be limited to the amount specified in the
10 tax credit certificate issued to the taxpayer pursuant to the Job
11 and Trade Competitiveness Act (Division 4 (commencing with
12 Section 64140) of Title 6.7 of the Government Code).

13 (d) In the event that the authority notifies the Franchise Tax
14 Board of any amounts of a tax credit certificate that were
15 erroneously awarded and were canceled pursuant to subdivision
16 (j) of Section 64142 of the Government Code, those amounts shall
17 not be allowed as a credit, and any previously allowed credit shall
18 be recaptured. The taxpayer shall be liable for any increase in tax
19 attributable to the recapture of any credit previously allowed under
20 this section.

21 (e) In the case where the credit allowed by this section exceeds
22 the “net tax,” the excess may be carried over to reduce the “net
23 tax” in the following year, and succeeding nine years, if necessary,
24 until the credit is exhausted.

25 (f) This section shall remain in effect only until December 1,
26 2019, and as of that date is repealed.

27 SEC. 4. Section 17053.66 is added to the Revenue and Taxation
28 Code, to read:

29 17053.66. (a) For each taxable year beginning on or after
30 January 1, 2014, and before January 1, 2019, and subject to
31 subdivision (c), there shall be allowed as a credit against the “net
32 tax,” as defined in Section 17039, to an exporter or importer that
33 has been awarded a tax credit certificate pursuant to the Job and
34 Trade Competitiveness Act (Division 4 (commencing with Section
35 64140) of Title 6.7 of the Government Code), in an amount of up
36 to, but not to exceed, 2 percent of the total capital costs for a cargo
37 facility constructed in California by an exporter or importer during
38 a taxable year.

39 (b) For purposes of this section:

1 (1) “Authority” means the California Transportation Financing
2 Authority established in Section 64101 of the Government Code.

3 (2) “Capital costs” has the same meaning as provided in
4 subdivision (c) of Section 64141 of the Government Code.

5 (3) “Cargo facility” has the same meaning as provided in
6 subdivision (d) of Section 64141 of the Government Code.

7 (4) “Exporter” has the same meaning as provided in subdivision
8 (g) of Section 64141 of the Government Code.

9 (5) “Importer” has the same meaning as provided in subdivision
10 (j) of Section 64141 of the Government Code.

11 (6) “Tax credit certificate” has the same meaning as provided
12 in subdivision (m) of Section 64141 of the Government Code.

13 (c) The aggregate amount of the credit allowed to a taxpayer
14 under this section and Sections 17053.60 and 17053.65 shall be
15 no more than two hundred fifty thousand dollars (\$250,000) for
16 a taxable year and shall be limited to the amount specified in the
17 tax credit certificate issued to the taxpayer pursuant to the Job
18 and Trade Competitiveness Act (Division 4 (commencing with
19 Section 64140) of Title 6.7 of the Government Code).

20 (d) In the event that the authority notifies the Franchise Tax
21 Board of any amounts of a tax credit certificate that were
22 erroneously awarded and were canceled pursuant to subdivision
23 (j) of Section 64142 of the Government Code, those amounts shall
24 not be allowed as a credit, and any previously allowed credit shall
25 be recaptured. The taxpayer shall be liable for any increase in tax
26 attributable to the recapture of any credit previously allowed under
27 this section.

28 (e) In the case where the credit allowed by this section exceeds
29 the “net tax,” the excess may be carried over to reduce the “net
30 tax” in the following year, and succeeding nine years, if necessary,
31 until the credit is exhausted.

32 (f) This section shall remain in effect only until December 1,
33 2019, and as of that date is repealed.

34 SEC. 5. Section 23660 is added to the Revenue and Taxation
35 Code, to read:

36 23660. (a) (1) For each taxable year beginning on or after
37 January 1, 2014, and before January 1, 2019, and subject to
38 subdivision (c), there shall be allowed as a credit against the “tax,”
39 as defined in Section 23036, an amount specified in paragraph
40 (2), to an exporter or importer that has been awarded a tax credit

1 *certificate pursuant to the Job and Trade Competitiveness Act*
2 *(Division 4 (commencing with Section 64140) of Title 6.7 of the*
3 *Government Code).*

4 (2) (A) *If an exporter or importer exported or imported during*
5 *the preceding taxable year, the credit amount will be determined*
6 *as follows:*

7 (i) *The amount of credit allowed for an exporter or importer*
8 *that increases exports or imports through ports in California shall*
9 *be three dollars and twelve and one-half cents (\$3.125) per ton of*
10 *increased exports and imports for the taxable year through ports*
11 *in California by the exporter or importer.*

12 (ii) *The amount of credit allowed for an exporter or importer*
13 *that increases exports or imports through airports in California*
14 *shall be one thousand dollars (\$1,000) for each ten thousand*
15 *dollars (\$10,000) of increased exports and imports for the taxable*
16 *year through airports in California by the exporter or importer.*

17 (B) *If an exporter or importer did not export or import during*
18 *the preceding taxable year, the credit amount shall be determined*
19 *as follows:*

20 (i) *The amount of credit allowed for an exporter or importer*
21 *that exports or imports 400,000 or more tons through ports in*
22 *California in a taxable year shall be three dollars and twelve and*
23 *one-half cents (\$3.125) per ton of exports and imports for the*
24 *taxable year through ports in California by the exporter or*
25 *importer.*

26 (ii) *The amount of credit allowed for an exporter or importer*
27 *that exports or imports two hundred fifty thousand dollars*
28 *(\$250,000) or more through airports in California shall be one*
29 *thousand dollars (\$1,000) for each ten thousand dollars (\$10,000)*
30 *of exports and imports for the taxable year through airports in*
31 *California by the exporter or importer.*

32 (b) *For purposes of this section:*

33 (1) *“Authority” means the California Transportation Financing*
34 *Authority established in Section 64101 of the Government Code.*

35 (2) *“Exporter” has the same meaning as provided in subdivision*
36 *(g) of Section 64141 of the Government Code.*

37 (3) *“Importer” has the same meaning as provided in subdivision*
38 *(j) of Section 64141 of the Government Code.*

39 (4) *“Increased exports or imports” means the difference between*
40 *the amount of exports and imports, whether measured by tons or*

1 dollars, in the current taxable year and the preceding taxable year
2 if the current taxable year has a greater amount of exports or
3 imports.

4 (5) “Tax credit certificate” has the same meaning as provided
5 in subdivision (m) of Section 64141 of the Government Code.

6 (c) The aggregate amount of credit allowed to a taxpayer under
7 this section and Sections 23665 and 23666 shall be no more than
8 two hundred fifty thousand dollars (\$250,000) for a taxable year
9 and shall be limited to the amount specified in the tax credit
10 certificate issued to the taxpayer pursuant to the Job and Trade
11 Competitiveness Act (Division 4 (commencing with Section 64140)
12 of Title 6.7 of the Government Code).

13 (d) In the event that the authority notifies the Franchise Tax
14 Board of any amounts of a tax credit certificate that were
15 erroneously awarded and were canceled pursuant to subdivision
16 (j) of Section 64142 of the Government Code, those amounts shall
17 not be allowed as a credit, and any previously allowed credit shall
18 be recaptured. The taxpayer shall be liable for any increase in tax
19 attributable to the recapture of any credit previously allowed under
20 this section.

21 (e) In the case where the credit allowed by this section exceeds
22 the “tax,” the excess may be carried over to reduce the “tax” in
23 the following year, and succeeding nine years, if necessary, until
24 the credit is exhausted.

25 (f) This section shall remain in effect only until December 1,
26 2019, and as of that date is repealed.

27 SEC. 6. Section 23665 is added to the Revenue and Taxation
28 Code, to read:

29 23665. (a) For each taxable year beginning on or after
30 January 1, 2014, and before January 1, 2019, and subject to
31 subdivision (c), there shall be allowed as a credit against the “tax,”
32 as defined in Section 23036, to an exporter or importer that has
33 been awarded a tax credit certificate pursuant to the Job and Trade
34 Competitiveness Act (Division 4 (commencing with Section 64140)
35 of Title 6.7 of the Government Code), in an amount equal to three
36 thousand dollars (\$3,000) for each net increase in qualified
37 full-time employees hired in California during the taxable year by
38 an exporter or importer, in a taxable year.

39 (b) For purposes of this section:

1 (1) "Authority" means the California Transportation Financing
2 Authority established in Section 64101 of the Government Code.

3 (2) "Exporter" has the same meaning as provided in subdivision
4 (g) of Section 64141 of the Government Code.

5 (3) "Importer" has the same meaning as provided in subdivision
6 (j) of Section 64141 of the Government Code.

7 (4) "Qualified full-time employee" has the same meaning as
8 provided in subdivision (k) of Section 64141 of the Government
9 Code.

10 (5) "Tax credit certificate" has the same meaning as provided
11 in subdivision (m) of Section 64141 of the Government Code.

12 (c) The aggregate amount of the credit allowed to a taxpayer
13 under this section and Sections 23660 and 23666 shall be no more
14 than two hundred fifty thousand dollars (\$250,000) for a taxable
15 year and shall be limited to the amount specified in the tax credit
16 certificate issued to the taxpayer pursuant to the Job and Trade
17 Competitiveness Act (Division 4 (commencing with Section 64140)
18 of Title 6.7 of the Government Code).

19 (d) In the event that the authority notifies the Franchise Tax
20 Board of any amounts of a tax credit certificate that were
21 erroneously awarded and were canceled pursuant to subdivision
22 (j) of Section 64142 of the Government Code, those amounts shall
23 not be allowed as a credit, and any previously allowed credit shall
24 be recaptured. The taxpayer shall be liable for any increase in tax
25 attributable to the recapture of any credit previously allowed under
26 this section.

27 (e) In the case where the credit allowed by this section exceeds
28 the "tax," the excess may be carried over to reduce the "tax" in
29 the following year, and succeeding nine years, if necessary, until
30 the credit is exhausted.

31 (f) This section shall remain in effect only until December 1,
32 2019, and as of that date is repealed.

33 SEC. 7. Section 23666 is added to the Revenue and Taxation
34 Code, to read:

35 23666. (a) For each taxable year beginning on or after
36 January 1, 2014, and before January 1, 2019, and subject to
37 subdivision (c), there shall be allowed as a credit against the "tax,"
38 as defined in Section 23036, to an exporter or importer that has
39 been awarded a tax credit certificate pursuant to the Job and Trade
40 Competitiveness Act (Division 4 (commencing with Section 64140)

1 of Title 6.7 of the Government Code), in an amount of up to, but
2 not to exceed, 2 percent of the total capital costs for a cargo facility
3 constructed in California by an exporter or importer during a
4 taxable year.

5 (b) For purposes of this section:

6 (1) "Authority" means the California Transportation Financing
7 Authority established in Section 64101 of the Government Code.

8 (2) "Capital costs" has the same meaning as provided in
9 subdivision (c) of Section 64141 of the Government Code.

10 (3) "Cargo facility" has the same meaning as provided in
11 subdivision (d) of the Government Code.

12 (4) "Exporter" has the same meaning as provided in subdivision
13 (g) of Section 64141 of the Government Code.

14 (5) "Importer" has the same meaning as provided in subdivision
15 (j) of Section 64141 of the Government Code.

16 (6) "Tax credit certificate" has the same meaning as provided
17 in subdivision (m) of Section 64141 of the Government Code.

18 (c) The aggregate amount of the credit allowed to a taxpayer
19 under this section and Sections 23660 and 23665 shall be no more
20 than two hundred fifty thousand dollars (\$250,000) for a taxable
21 year and shall be limited to the amount specified in the tax credit
22 certificate issued to the taxpayer pursuant to the Job and Trade
23 Competitiveness Act (Division 4 (commencing with Section 64140)
24 of Title 6.7 of the Government Code).

25 (d) In the event that the authority notifies the Franchise Tax
26 Board of any amounts of a tax credit certificate that were
27 erroneously awarded and were canceled pursuant to subdivision
28 (j) of Section 64142 of the Government Code, those amounts shall
29 not be allowed as a credit, and any previously allowed credit shall
30 be recaptured. The taxpayer shall be liable for any increase in tax
31 attributable to the recapture of any credit previously allowed under
32 this section.

33 (e) In the case where the credit allowed by this section exceeds
34 the "tax," the excess may be carried over to reduce the "tax" in
35 the following year, and succeeding nine years, if necessary, until
36 the credit is exhausted.

37 (f) This section shall remain in effect only until December 1,
38 2019, and as of that date is repealed.

39 SEC. 8. This act provides for a tax levy within the meaning of
40 Article IV of the Constitution and shall go into immediate effect.

1 ~~SECTION 1. It is the intent of the Legislature to enact legislation~~
2 ~~that would address issues that enhance and expand opportunities~~
3 ~~for California business to engage in international trade with Latin~~
4 ~~America and other nations.~~

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